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1983/01/27



UNCLASSIFIED United States Department of State

Washington, D. C. 20520

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January 27, 1983

BRIEFING MEMORANDUM
S/S

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United States Department of State
Office of FOI, Privacy, & Classification Review
Review Authority: MARTENS, R.
Date: 09/28/96
Case ID: 9403571

TO: The Secretary
FROM: EA - Paul Wolfowitz
SUBJECT: Your Meeting with Chinese Premier Zhao Ziyang,
February 4, 1983

I. YOUR OBJECTIVES

1. Extend an invitation to Zhao, on behalf of President Reagan, to visit the US (Talking Points attached).
2. Seek Premier Zhao's impressions and assessments of the situation in the Middle East and Africa following his recent month-long tour; outline US policies and objectives in the Middle East and Africa; and encourage constructive Chinese approaches in those areas (Talking Points attached).
3. Discuss the benefits that have accrued from the development of good US-China relations and stress need to advance in all areas (Talking Points attached).
4. Reaffirm US arms sales policy; if appropriate, mention Secretary Weinberger's interest in visiting China (Talking Points attached).
5. Reiterate our interest in nuclear cooperation on the basis of adequate non-proliferation assurances and other conditions; and invite a Chinese delegation to Washington. (Talking Points attached).

II. SETTING

Zhao, who is one of Deng's two hand-picked proteges (the other is Party General Secretary Hu Yaobang), could emerge as one of the most influential leaders in China even after Deng passes from the scene. Thus, your meeting will be important in shaping the attitudes of the next generation of China's leaders toward the US.

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Zhao returned in mid-January from an extensive and successful tour of Africa, where he found receptive audiences for China's new independent foreign policy themes. It was Zhao who, in April 1982, first articulated the new foreign policy principles that drew China back somewhat from its close public identification with the US and associated it more closely with Third World concerns. Zhao appears to be a brilliant man and quick study. He demonstrated a good grasp of Middle East issues in his talk with Vice President Bush last May.

[REDACTED]

Zhao's preferred field of concentration is economic development. Still relatively young (63) and results-oriented, he has built a reputation as an expert administrator who is pragmatic rather than ideological. Consistent with his reformist bent, he is an advocate of China's "open door" to foreign trade and technology, and has invested considerable personal prestige in the newly established Special Economic Zones, where foreign investment is encouraged.

III. PARTICIPANTS

US

The Secretary
Ambassador Hummel
EA - Paul Wolfowitz
PA - John Hughes
PM - Jonathan Howe
NSC - Gaston Sigor
EA - Thomas Shoesmith
DOD/ISA - Richard Armitage
Embassy, DCM Freeman
EA/C - William Rope
Two Embassy notetakers
Vivian Chang, Interpreter

CHINA

Premier Zhao Ziyang
Foreign Minister Wu Xueqian
Other Chinese officials

IV. PRESS ARRANGEMENTS

There will be a brief photo opportunity at the beginning of the meeting.

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Drafted by:EA/C:SIKrebs *SK*
1/20/83 ext.21004 W5480C

Clearances:EA/C:WFRope
EA:TPShoesmith
NEA/IAI:DGreenlee
AF/S:CHanson
P:DJohnson
OES/NEP:FMcGoldrick
L/N:RBettauer
S/NP:LDunn
EB:RGold
PM/STN:RDavie
PM/NPC:SAoki
ACDA:EFel
DOD/ISP:MBuckley
DOE:EBradley
DOC/ITA:RPerito
NSC:MGuhin
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V. DISCUSSION OF OBJECTIVES

Extend an invitation to Zhao, on behalf of President Reagan, to visit the US.

You will be carrying a formal invitation letter signed by the President inviting Zhao for a visit. You should present the letter to Zhao, seek his acceptance, and his agreement, if receptive to the invitation, to making the planned visit public as a concrete result of your talks.

-- Have long viewed this visit as major step, following conclusion of August 17 Communique, in resuming high level dialogue between us and restoring sense of mutual trust. I hope my discussions to date have moved us forward.

-- High-level exchanges have always been key symbolic elements in maintaining progress in our relationship, demonstrating both sides' commitment to our relations. They also provide practical means for fruitful exchange on international, strategic, bilateral issues.

-- Have long regarded your visit to US as part of this important process. You originally exchanged messages with President Reagan on this subject in summer 1981.

-- President asked me extend this formal invitation to visit US.

-- Your visit would mark appropriate point to take stock of where we have come since our talks this week. Would also provide ample intervening time for other cabinet and sub-cabinet level officials from both sides to meet with respective counterparts. For example, Secretary Baldrige planning to lead American delegation to Beijing in May for first session of Joint Commission on Commerce and Trade; Secretary Weinberger would also like to visit Beijing to meet counterparts; and several cabinet-level Chinese officials may be visiting US; they can expect warm welcome and productive, substantive sessions.

-- (If Zhao indicates he accepts invitation) We would like to be able to announce publicly, as a direct accomplishment of my visit, your intent to visit US.

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Seek Premier Zhao's impressions and assessments of the situation in Africa and the Middle East following his recent month-long tour; outline US policies and objectives in those areas; and express appreciation for constructive Chinese approaches.

Several weeks ago, China received the Arab League's seven-member Pez delegation, including Saudi Foreign Minister Saud. (The Saudis continue to maintain diplomatic relations with Taiwan). This is a mark of Chinese interest in the Middle East and support for settlement of differences there. On his recent trip, Zhao made stops in Cairo, Algiers (where he met with Arafat), and Rabat. At a Cairo press conference, Zhao called for Israeli withdrawal from occupied Arab territories, including Jerusalem, and the restoration of Palestinian national rights; on that basis, he said, all nations of the region, including Israel, should have the right to independence and existence. China, however, has no current plans to recognize Israel, he added. As to President Reagan's peace plan and other initiatives, he said Beijing welcomes "all proposals" that contribute to peaceful settlement.

Zhao was well received in Africa and appears to have improved China's image. While Africa figures importantly in China's Third World diplomacy, Beijing's investment and capabilities there are relatively marginal. Its objectives in Southern Africa parallel our own. China is bent on reducing Soviet influence and opportunities, while bolstering the area's political independence and economic development. The recent establishment of Sino-Angolan diplomatic relations, and Zhao's inclusion of Zambia, Tanzania, and Zimbabwe on his African itinerary, were aimed at weakening Soviet inroads, eventually displacing Moscow as an arms supplier, and hastening the departure of Cuban troops.

On Southern Africa, China differs from us, however, on tactics and is working to establish some influence within resistance groups like SWAPO and ANC. It joins us in strong support for a political solution in Namibia, but it criticizes "a certain superpower" for "backing the South African racist regime," a policy it regards as counter-productive.

-- (Opening Talking Point) Would value hearing impressions from your recent visit to Middle East and Africa and giving you our perspective on those issues.

-- (Zhao responds)

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MIDDLE EAST:

-- We appreciated your statesmanlike comments during visit. Know our positions not identical in all respects; but we have shared interest in containing spread of instability in region.

-- We have taken major new steps in Mid-East policy.

-- Know you support Arab position and PLO, and we take different approach. Let's focus on points of convergence. We, the Arabs, and you all want peaceful solution to problem that has dragged on too long at great cost to peoples of area and at great potential threat to world peace, security, and economic well-being. All would welcome rapid removal of all foreign forces from Lebanon. All wish to contain Soviet destabilizing efforts and attempts increase influence.

-- We have always insisted on Israel's right to exist, as Vice-President Bush noted to you in May. We greatly value your recent statements regarding right of Israel to exist.

-- Let me now get to some realities -- things we know, not because we are responsible for Israel's conduct, but because we know Israel not only has a right to live in peace but also has the strong capability and determination to defend and insist upon that right.

-- Our efforts, based on President's initiative, now in important phase. Key actor remains King Hussein, who is enmeshed in inter-Arab consultations to decide whether to step forward, with appropriate Palestinian representatives, to challenge Israel to negotiate.

-- We are making clear to Israel it must take constructive, positive approach.

-- We have made clear to Arabs there is no possibility of establishing Palestinian state. Israel would never agree -- and Israel's agreement is essential for peace.

-- Also unrealistic to believe that Israeli government would agree to sit at table with PLO or individuals claiming to represent PLO -- even if the PLO were to accept Israel's right to exist and 242.

-- Although Begin government has rejected our proposals, convinced no Israeli government, including Begin's, could refuse to negotiate if challenged to do so by credible Arab partner such as Jordan.

-- Essential that Arabs back Hussein and try to induce PLO to give him room to join the peace process. All Arabs, and PLO in particular, must understand following essential points:

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-- The President is firm on key issues, such as inability support Palestinian state or PLO negotiating presence.

-- PLO occasional diplomatic "success" is no substitute for real progress in achieving Palestinian rights. This can only be accomplished at negotiating table through Jordan and non-PLO Palestinians.

-- PLO and other Arabs must choose for or against negotiated peace in very near future. Circumstances and terms will not improve by waiting.

-- Arabs should focus on what can realistically be accomplished. Now is time to keep our voices low, particularly at UN and other international forums, and give peace process a chance to prosper.

-- Hope you will use your influence to promote realism. Our common interests would be served by the increased regional stability Arab-Israeli peace would bring.

AFRICA:

-- Followed with interest your African trip. We welcome Chinese involvement, both because needs of Africans are great and because it helps to check Soviet inroads.

-- Encouraged by realistic approach you took with front-line leaders; and welcome your decision to establish diplomatic relations with Angola and trade ties with Mozambique.

-- Phases one and two of Namibia negotiations essentially complete; must still resolve issue of Cuban troop withdrawal from Angola before Resolution 435 can be implemented.

-- Encouraged by negotiating posture of Angolans, who have promised early response to proposals now before them. Interested in your views of Angolan attitude toward negotiations.

-- You don't fully agree with us on tactics. We believe South African confidence is essential to getting settlement. You emphasize need for alignment with the black African parties. But our objectives are very much the same -- a peaceful settlement with outside forces removed. We would value future opportunities to consult and coordinate efforts.

-- (Contingency) - If Zhao refers to us as "hegemonists" or in other insulting way, you should say that name-calling approach not only renders no qualitative contribution to resolution but hinders development of serious dialogue on issues of pressing concern and harms our ability to generate support for China policy at home.

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Discuss benefits that have accrued from the development of good US-China relations and stress need to advance in all areas.

-- Must recognize continued commonality of approaches to troubled areas of world. In areas like Afghanistan, we have worked closely and directly together to stop outside aggression. In other areas, such as Kampuchea, have developed coordinated efforts aimed at restoring peace. We share interest in reducing risks of war in Korea and using our influence to this end.

-- Need to continue in this direction. I have proposed to Foreign Minister Wu that we resume talks on regular basis at both Under Secretary and lower levels.

-- Defense component of relationship should exist. I have proposed to Defense Minister Zhang that exchanges should be revived as our overall relationship advances.

-- (If Zhang has raised Weinberger visit) I told him Secretary Weinberger does want to visit China. Hope that he and perhaps some of our senior uniformed military leaders will have opportunity to engage Chinese military leaders in new dialogue on global and regional security issues.

-- We remain prepared to consider requests for sale of military equipment to China on same case-by-case basis as to other friendly countries. Over past year, we have approved variety of licenses for sales presentations, including co-production.

-- On economic/commercial front, we have solid framework, with agreements covering trade, civil aviation, shipping, Export-Import Bank, Overseas Private Investment Corporation, and more. China now our fourteenth largest trading partner and we are your third.

-- We look forward to expanding this, as I've told your Minister of Economic Relations and Trade, and State Councillor Fang Yi.

-- US companies poised to invest extraordinary sums in Chinese off-shore petroleum projects and increasingly willing to engage in joint ventures involving transfer of variety of technology and know-how; e.g., aircraft, hydroturbines.

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-- Private sector, US government (with loans, insurance, feasibility studies, and broad S&T program), universities and institutes (with many scholarships/9,000 students now in US) all taking active part in assisting Chinese modernization efforts.

-- Want to focus on one important element: technology transfer.

-- Have come a long way in decade on technology transfer, particularly in last twenty months. We now sell broad range of equipment and technology, much of it state-of-the-art, developed or marketed in 1970's.

-- When you look at what has occurred across-the-board, you will see progress we have made. Numbers of license applications and dollar amount of advanced technology approved has increased significantly. Level of technology has also increased significantly.

-- Some say our export control policy toward China is unwarranted, but I don't believe so. We maintain controls only on the most advanced technology for valid national security reasons.

-- We now badly need to rebuild trust and confidence in each other. As we do so, there is no reason why we should not continue to make important progress in this area; we'll do our best to work toward this goal and hope that you, by your actions, will also.

-- However, trade and technology transfer is two-way street. Have heard many complaints about what we did not sell, but it not only China that has not gained all it wants from technology exchange. Both sides need to address and resolve problems related to technology transfer.

-- Wish to raise one additional matter of concern before we conclude review of bilateral relationship: We have encountered great problems with regard to timely acquisition of adequate physical facilities for our personnel in China. I proposed to Vice Premier Wan Li yesterday establishment of regular line of communication between Wan Li and Ambassador Hummel to resolve problem: Hope to have your support for proposal, and for expeditious solution in spirit of reciprocity.

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Reaffirm US arms sales policy; if appropriate, mention Secretary Weinberger's interest in visiting China.

China backed away from military exchanges during our confrontation on Taiwan arms sales. It continued to shop actively in the West, however, for selected military weapons and technologies. The fact that the Chinese did not pick up our proposal for a meeting between you and Defense Minister Zhang Aiping suggests they may still be reluctant to move ahead in this area; and you will want to avoid getting out front.

You should not raise a visit by Secretary Weinberger unless it is clear Zhao intends to accept the President's invitation. You should, however, reaffirm US policy on arms sales to China and note that the invitation we extended to Liu Huaqing stands for his replacement, He Zhongwen.

DOD Deputy Assistant Secretary Armitage will meet separately to address working-level issues (e.g., concrete proposals for expansion of routine military-to-military exchanges) with his Ministry of National Defense counterparts; and he may get a better sense of current Chinese thinking before your meeting with Zhao.

-- President's policy regarding arms sales to China, announced by Secretary Haig in June 1981, has not changed. We prepared to review any Chinese requests on same case-by-case basis as for other friendly nations.

-- We don't seek to press weapons, but would like to help where we can, if you interested.

-- Many US firms have contacted us about items China interested in. Have approved licenses to enable them explore with you sales possibilities for variety of weapons systems.

-- Recently approved licenses for sales presentations on two major systems, anti-armor (TOW), including coproduction of ground launchers, and airborne (helicopter) close-support weapons systems, in response to your arms importers' inquiries to US firms, which will enable discussions to go forward. Also have airborne TOW under consideration.

-- We don't seek to press weapons, but would like to help, where we can. Remain willing receive PLA Chief of Staff for logistics, He Zhongwen, and prepared expand working-level military exchanges if you interested.

-- (If appropriate) Secretary Weinberger would like to accept your invitation to visit China at appropriate time.

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Reiterate our interest in peaceful nuclear cooperation on the basis of adequate non-proliferation assurances and other conditions; and invite a Chinese delegation to Washington.

Further exchanges with China on nuclear cooperation have been stalled [REDACTED]

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[REDACTED] Further, now that China is beginning to export some nuclear materials, we are concerned that China has not required adequate safeguards on the materials, although there is some indication that China is tightening its practices.

Given China's increasing interest in establishing civil nuclear power programs and its desire to buy technologies and equipment from the U.S., the President has authorized us to explore the possibility of peaceful nuclear cooperation if we obtain certain firm assurances on future Chinese practices (see background paper).

Therefore, your objective during the visit should be to begin a dialogue that, over a period of time, will explore the possibilities of peaceful nuclear cooperation while convincing the Chinese that it is in China's long-term interest to adhere to international nuclear export practices and not to assist other countries' nuclear explosives programs. You should invite the Chinese to send a delegation to Washington in return for the visit of Assistant Secretary Malone to Beijing in September, 1981, unless the Chinese reject out-of-hand any further dialogue on non-proliferation issues.

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-- Understand China is considering major investments in development of nuclear power.

-- Believe peaceful nuclear cooperation would benefit both our countries.

-- For three decades, United States has believed other countries should have access to peaceful benefits of the atom within a framework to prevent misuse for military purposes.

-- These dual goals still at heart of our approach to nuclear cooperation.

-- United States very much desires to cooperate with China in this field.

-- Nuclear cooperation between United States and China would require our two countries to put in place agreement for peaceful nuclear cooperation. Since China is nuclear weapons state, would not ask China to accept International Atomic Energy Agency requirements on imports of nuclear materials from U.S., but would need to develop some bilateral procedures assuring that U.S. exports not used for purposes other than those agreed between the parties.

-- However, there are other concerns which would have to be overcome before engaging in peaceful nuclear cooperation.

-- Believe all countries that engage in nuclear exports have interest in adhering to internationally accepted norms in their export practices. (If asked, this includes requiring IAEA procedures on exports to non-nuclear weapons states.)

-- Finally, a clear and unambiguous policy not to assist other countries in acquiring nuclear explosives is essential part of this.

-- Believe progress is possible on all these issues.

-- Would like to invite Chinese delegation to Washington this spring, in return for visit to Beijing by Assistant Secretary Malone in September, 1981, in order to discuss further how we might find way to overcome obstacles to pursuing peaceful nuclear cooperation.

-- (If Zhao says that he conveyed China's position last August): A clear policy of not assisting other countries to acquire explosives is essential. Would like to continue to exchange views.

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